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9 June 1955

# CURRENT INTELLIGENCE WEEKLY SUMMARY

"SUMMIT" SUPPLEMENT



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CENTRAL INTELLIGENCE AGENCY

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DIA and DOS review(s) completed.

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#### SUMMIT CONFERENCE SUPPLEMENT TO THE CURRENT INTELLIGENCE WEEKLY SUMMARY

9 June 1955

The following is a summary of information received during the week on Soviet bloc preparations for the four-power conference.

#### General Soviet objectives and attitudes

Soviet agenda for the conference: Ambassador Bohlen believes that the order of subjects mentioned in the Soviet-Yugoslav declaration of 2 June may contain some hint of which subjects will be given priority by the USSR at the four-power meeting. The declaration said that new efforts to reach agreement on armaments reduction, the abolition of atomic weapons, a European collective security system, and the neaceful use of atomic energy would create an atmosphere which would make possible a solution of the German and Formosan questions.

Soviet propaganda broadcasts devoted only one percent of foreign affairs coverage to East-West negotiations in the period 30 May--5 June, compared to 10 percent for 23-29 May. There was continued stress on the absence of a constructive approach toward the talks in the West, particularly in the United States.

Tito disillusioned by real Soviet attitude: The American embassy in Belgrade that Tito was disillusioned about the real Soviet attitude and is not so convinced as formerly of Soviet peaceful intentions, as a result of the Belgrade talks. Tito reportedly was shocked when the Soviets boasted that World War I had brought Communism to Russia, World War II had added Eastern Europe and China, and World War III would see it spread throughout the world. He also was shaken by frank statements of the continuation of the Stalinist line inside the USSR. Other high Yugoslav leaders were reported to regard Soviet leaders as second-rate and to have doubts about their capacity to conduct negotiations with the West.

USSR seen ready to compromise with West: The Yugoslav government thinks it is more necessary than ever for the West to talk with the Soviets and that more contact will eventually lead to greater realism on the part of Soviet leaders. Yugoslavs had impression during Belgrade talks that Soviets really fear possibility of US aggression and are afraid of German rearmament, and that with any encouragement from the West Soviet leaders would make compromises to come to an understanding.

General objectives: the USSR is aiming the four-power conference at (1) disarmament, and (2) neutralization of all Germany, failing which it hopes to achieve (3) limitation of West German and East German armies to six divisions only.

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#### Disarmament

Soviet objectives: Yugoslav Deputy Foreign Minister Prica said his government received the impression at the Soviet-Yugoslav talks that the USSR does not believe full control of the acceptable to anyone and expects that it will take

Stalinist approach criticized: The Soviet delegation to Yugoslavia freely criticized Stalinist policies including the proposal for one-third all-around reduction of armaments, according to Yugoslav officials.

Soviet Propaganda (30 May--5 June) on the four-power talks continues to connect them with the disarmament question. A Moscow radio commentary of 4 June claimed Western monopolists were alarmed by Soviet disarmament proposals in the United Nations. It noted that effective international controls are fully possible if an atmosphere of trust is created. The pre-requisites for this are: stopping of war propaganda, no use of force or interference in internal affairs of other states, expeditious evacuation of forces from Germany excepting "strictly limited contingents," liquidation of foreign war bases on alien territory, disappearance of tension in a number of world areas, and co-operation in establishing peaceful use of atomic energy.

#### Germany

Soviet propaganda (30 May--5 June) contained little reference to neutrality as a solution for Germany, although German listeners were told of the advantages available to a peacefully united Germany "which does not participate in military blocs and which is rid of the Paris agreements."

Freedom from alliances: Ulbricht's 1 June speech to the SED central committee called for "a Germany not committed by treaties," reiterated GDR willingness to negotiate with West Germany, and urged East and West German representation at a four-power conference. Moscow radio did not broadcast this speech.

Soviet Objectives: Yugoslav deputy foreign minister Prica said his government is not certain that the USSR really agrees with the statement on Germany in the Soviet-Yugoslav declaration of 2 June, although the Soviet delegation accepted the Yugoslav draft on this subject. The Soviets never mentioned the possibility of German neutralization to the Yugoslavs, who had the impression that the USSR does not expect German unification in the near future and now realizes neutralization is not possible.

Relationship of German settlement to European security plan: Ambassador Riddleberger points out that the Soviet-Yugoslav declaration of 2 June gives the impression of placing the establishment of an all-European security system as a prerequisite to a German settlement, which is probably useful for Soviet propaganda.

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Status of East Germany:

a considerable number of members and functionaries of the SED are unhappy with the outcome of the Warsaw security conference. Sore points frequently mentioned are: (1) the Warsaw treaty provides means for continued, barely concealed occupation of East Germany by the Soviet army; and (2) the conference postponed overt decision on whether the GDR will be a full member of the Soviet bloc military system, leaving open the dreaded possibility that the USSR may sacrifice the SED in the interests of Soviet foreign policy. Ulbricht apparently felt if necessary to reassure party members in his report to the SED central committee (published in the EAst German press on 4 June) by making the follow-

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sion on whether the GDR will be a full member of the Soviet bloc military system, leaving open the dreaded possibility that the USSR may sacrifice the SED in the interests of Soviet foreign policy. Ulbricht apparently felt if necessary to reassure party members in his report to the SED central committee (published in the EAst German press on 4 June) by making the following points: (1) "East Germany, as an equal treaty partner..., undertakes an obligation to contribute to common defense measures;" (2) "For the first time in the history of humanity, states of the Socialist and Democratic camp are going over, under leadership of the Soviet Union, to synchronization of a broad planning framework for the immense region from Peiping to Berlin. Control figures for the basic tasks of the next five-year plans of the USSR, Communist China, the people's democracies and East Germany will be synchronized. (3) Acceptance of the fact that the Oder-Neisse line is a permanent boundary would give new impulse to reunification. "Whoever suggests revision of the Oder-Neisse border in negotiations on the reunification of Germany proves that he seeks a pretext to obstruct reunification."

French officials in Moscow and Paris fear the USSR will switch trade and ship construction contracts from France to West Germany as part of a policy designed to neutralize Germany.

About one third of Ulbricht's report to the SED central committee on the Warsaw conference (see reference above) was devoted to attacks on West German SPD leaders and appeals to the West German working class.

#### Status of Satellites

Soviet propaganda (30 May--5 June) reiterates objections to discussion of the status of the Satellites. According to Agence France Press, Kommunist declared on 2 June that the USSR will refuse to discuss problems concerning the people's democracies or Communist activities at the four-power conference.

Reports from Bucharest and Budapest state that recent changes in Soviet policy toward Yugoslavia and Austria have encouraged high optimism among the Hungarian and Rumanian populations over the possibility of a change in the domestic Communist regimes. The American legation in Bucharest reports that Soviet prestige has suffered considerably, there is considerable confusion in Communist party ranks, and there are widespread rumors that Rumania will be liberated in 1955. According to the cable from Budapest, reversals in Soviet policies are causing confusion,

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undermining party discipline and leading to speculation concerning the possible purge of Rakosi. Well-informed sources say Rakosi is in an exceedingly agitated state, shouting contradictory orders and showing signs of overstress and fatigue.		25X1
Effect of Yugoslav-Soviet talks on Satellites: Yugoslav government thinks many Satellite leaders are now placed in a difficult position and that the Belgrade talks will no doubt create problems in the Satellites which will eventually force modifications in Soviet policy.		25X1
Soviets talk neutralization of Satellites: Soviet officials have been discussing European neutral belt with several Norwegian diplomatic missions, and have expressed "personal" view it would be only reasonable to suppose some neutralization would have to take place in the present Soviet bloc. A Norwegian Foreign Ministry official took this to be hint that the USSR might offer "neutralized" Poland and Czechoslovakia in return for major Western concessions, presumably including similar status for a united Germany		25X1
Status of Soviet forces in the Satellites: The American army attaché in Hungary reported rumors that Soviet headquarters at Baden, Austria may move to Veszprem, Hungary; that the artillery range at Hajmasker, previously used by Soviet troops, may become a Soviet garrison; and that the garrison at Mor is expected to be increased to 6,000 troops and log huts are now being constructed. He also learned from a usually reliable source that the town of Papa was overflowing with Soviet troops, dependents and Soviet civilians formerly in Austria. The same source overheard a conversation between two Soviet officers who are still stationed in Austria, one of whom stated he would be stationed in Hungary only temporarily, having already been told that his new station would be near Minsk, USSR.		25X1
Denial of neutral belt solution: In Ulbricht's Warsaw conference report to the SED central committee (see reference above) he said: "When politicians of the Bonn coalition polemicize against creation of a neutral belt in Europe, they miss the mark completely, since no one has made such a suggestion."		
Gestures to Finland: For the first time, Moscow propaganda commented approvingly on the Finnish Social Democrats, stating there are indications that they have come to recognize the constructiveness of Soviet policy.	· .	25X1

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Yugoslavia did not raise the question of relations with the Satellites during the Yugoslav-Soviet talks, and the Soviet delegation talked only in general terms about improving relations, according to Yugoslav officials.

According to Yugoslav deputy foreign minister Prica, the Soviet delegation raised the question of Bulgaria's entry into the Balkan alliance during the Belgrade talks. The Yugoslavs replied that the proposal was highly unrealistic and the Soviets did not press the point.

During the period 30 May--5 June Soviet propaganda emphasis on the Soviet-Yugoslav negotiations jumped to 25 precent of Moscow's radio output on foreign affairs, compared to 12 percent the previous week. This publicity is comparable in volume to that given the Berlin, Warsaw and Geneva conferences. Moscow broadcast little independent comment prior to the signing of the joint declaration on 2 June. Subsequent radio coverage included Pravda editorials of 3 and 6 June and other commentaries expressing gratification at the failure of American efforts to prevent Soviet-Yugoslav agreement and worded to suggest that more was achieved than is apparent from the declaration. Particular stress was placed on the significance of the "agreement" for southeastern Europe.

Soviets talk neutral belt with Norwegians: Several Norwegian diplomatic missions have reported to their Foreign Ministry that Soviet officials informally had discussed the question of a European neutral belt with them. A Foreign Ministry official thought that these remarks might presage a Soviet campaign to persuade Denmark and Norway of the advantages of joining a neutral belt.

#### Related Far East Intelligence

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Peiping picks up Communist line on four-power talks: Chinese Communist propaganda, which had made no mention of projected four-power talks up to 29 May, broadcast two newspaper articles on 29 May and 5 June. Both of these items closely followed the Moscow propaganda line.

Sino-Soviet relations: Soviet ambassador Yudin in Peiping recently told the Swedish ambassador to Moscow that Communist

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China would be so strong after another 15 years that no other country would be able to tell it what to do. Yudin also said that the USSR had given the Chinese scientific and technical know-how in the atomic field which would eventually enable them to produce nuclear weapons, but had not given them either the bomb itself or the facilities for its manufacture.

Cultural and Technical Exchanges

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USSR to permit more tourists: The Soviet delegation to Yugoslavia said more tourists would be permitted to enter the USSR, according to Yugoslav officials.

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